



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7

11201 Renner Boulevard
Lenexa, Kansas 66219

AUG 05 2014

Ms. Brandy D. Olson
Director, Legal & Regulatory Services
Muscatine Power and Water
3205 Cedar Street
Muscatine, Iowa 52761-2204

RE: Mercury and Air Toxics Standard, 40 CFR Part 63, Subpart UUUUU Request for a Compliance Extension

Dear Ms. Olson:

This letter is in response to your request dated May 20, 2014 for a one-year compliance extension for Muscatine Power and Water's coal-fired boilers Unit 8 and Unit 9 to comply with the Mercury and Air Toxics Standard (MATS). The MATS compliance date for these boilers is April 16, 2015. Muscatine Power and Water (MP&W) has requested a compliance extension until April 16, 2016, according to the provisions under 40 CFR § 63.6(i), because Muscatine Power and Water asserts it needs additional time for the installation of controls. The U.S. Environmental Protection Agency, Region 7 (EPA), by this letter approves a compliance extension as described further below.

Both boilers shall install CHEM MOD™ and sorbent/powdered activated carbon (PAC) injection equipment to comply with MATS by April 16, 2015. Installation of the CHEM MOD™ equipment was initiated in October of 2013 and completed in January 2014. Onsite construction of the sorbent/PAC equipment is expected to begin in August 2015. MP&W expects that Unit 8's sorbent/PAC equipment will be installed by October 31, 2015 and Unit 9's by late 2015 to early 2016. Due to the extension, MP&W is now required to achieve final compliance with MATS by April 16, 2016. Final compliance shall include the installation of the aforementioned equipment by the extended compliance date. The EPA understands that MP&W will continue to review potential pollution control methods and equipment in the future and may select other equipment or methods that become available to meet compliance requirements at that time. For clarity, we confirm that this extension also applies to the Part 63 Subpart A requirements triggered by the compliance date of the MATS. For example, the requirement in 40 CFR § 63.7(a)(2) to test within 180 days of the compliance date is extended to within 180 days of April 16, 2016. The initial performance test, as required by 40 CFR § 63.9984(f), shall be conducted within 180 calendar days of this final compliance date except for the initial performance tune-up which must be completed no later than one year after the dates specified in 40 CFR § 63.10005(f). If MP&W chooses to comply with MATS using the emission averaging option, the emission averaging deadlines are also extended by one year. For example, the April 16, 2015 date in 40 CFR § 63.10009(e) is extended to April 16, 2016.



Printed on Recycled Paper

Pursuant to 40 CFR § 63.6(i)(11), within 30 calendar days of each of the following, MP&W shall provide a letter stating when each of the following is achieved:

- The date onsite construction of the sorbent/PAC equipment starts¹ for Unit 8;
- The date onsite construction of the sorbent/PAC equipment starts¹ for Unit 9;
- The date installation of the sorbent/PAC equipment for Unit 8 is completed; and
- The date installation of the sorbent/PAC equipment for Unit 9 is completed.

The letter shall be sent to Mr. Ward Burns, of the EPA Region 7, and to the Iowa Department of Natural Resources (IDNR).

Pursuant to 40 CFR § 63.6(i)(4)(i), the compliance extension must be incorporated into the Title V permit. Notwithstanding this extension of compliance for the provisions listed above, MP&W Units 8 and 9 must meet all other applicable federal and State requirements. Pursuant to Section 113 of the Clean Air Act, MP&W may be subject to civil fines and penalties of up to \$37,500 per day per violation, should compliance with 40 CFR Part 63 Subpart UUUUU not be achieved by the extended compliance date of April 16, 2016.

If you have any further questions regarding this compliance extension, please contact Mr. Ward Burns, at (913) 551-7960.

Sincerely,



Mark A. Smith, Chief
Air Permitting and Compliance Branch

cc: Dennis Thielen
Iowa Department of Natural Resources

¹ In general this is the initiation of physical on-site construction activities which are of a permanent nature. Such activities include, but are not limited to, installation of supports and foundations, laying underground pipework and construction of permanent storage structures.